Office of the Assistant Secretary of the Navy,
Financial Management and Comptroller (OASN, FM&C)

FMO
Office of Financial Operations

Navy Guide to Financial Improvement and Audit Readiness (FIAR) & Managers' Internal Control Program (MICP)

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SHOOTER

EVERYONE contributes to the auditability of our financial statements.

- ✓ Know your role in **Financial Improvement and Audit Readiness (FIAR)**.

EVERYONE contributes to the effectiveness and efficiency of our operational, administrative, and program processes.

- ✓ Know your role in the **Managers' Internal Control Program (MICP)**.

TOGETHER these programs improve the reliability and accuracy of our data and enable informed decision-making. It is critical to our being watchful stewards of public resources and to the success of the Navy mission.

The purpose of this guide is to provide a quick reference for how various roles within the Navy contribute to these important initiatives and how any of us might assess our performance in these two areas.

This guide is organized into separate sections for FIAR and MICP. Please use the Table of Contents at the beginning of each section to find the role(s) you fill within the Navy and locate the corresponding reference card(s).

CONTACT INFORMATION

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www.fmo.navy.mil

Navy Guide to Financial Improvement and Audit Readiness (FIAR)

Myth: I don't work in the Comptroller Department so FIAR doesn't apply to me.

Fact: Everyone influences the reliability and accuracy of our financial data. The things you do everyday impact FIAR:

- ✓ From filling out your timecard to receiving your pay
- ✓ From identifying a requirement to receiving a budget
- ✓ From initiating a procurement to executing a contract
- ✓ From receiving property to accounting for assets

Every step of the way, people everyday throughout the Navy are involved in the data that is produced, entered into systems, reported on, and used to make the decisions that enable the Navy to achieve its mission.

KNOW YOUR BUSINESS
CONTROL YOUR FUTURE

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Please use the Table of Contents above to find the role(s) you fill within the Navy. There is a reference card for each identified role (see page number). Please review the cards for your role(s) to learn how you contribute to FIAR and use the back of your reference card to help you prepare for auditors. The list of contributions is not all-inclusive but focuses on key items that can have a financial impact.

Our intent is not to capture every role in the Navy but rather those roles that are held by the majority of the workforce.

All Team Members

What You Do Counts!

Key Contributions:

- ☐ Record time and attendance accurately and completely
- ☐ Review Leave and Earnings Statement for accuracy
- ☐ Obtain advance approval from your supervisor for leave, overtime, and compensatory time requests
- ☐ Ensure property is properly recorded, accounted for and safeguarded
- ☐ Ensure all your job training requirements are met, including your annual security awareness refresher training
- ☐ Know and follow Standard Operating Procedures in your everyday execution of job duties
- ☐ Be good stewards of government resources: don’t waste money, time, supplies, etc.

This is a listing of key contributions and is not all-inclusive.

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain approvals for:
    - Leave
    - Overtime
    - Compensatory time
- ☐ Maintain property records
    - Appropriate documents and records
- ☐ Maintain evidence of your job training, including your annual security awareness refresher training (e.g., certificates)
- ☐ For all areas of responsibility, maintain documented Standard Operating Procedures

This is a listing of key documents and is not all-inclusive.

Supervisor

What You Do Counts!

Key Contributions:

- ☐ Request processing of personnel actions
- ☐ Approve time and attendance and maintain documentation
- ☐ Approve any adjustments to time and attendance and maintain documentation
- ☐ Ensure departed employees are no longer in the timekeeping system
- ☐ Ensure that the appropriate level of IT application system access is given to employees
- ☐ Ensure that access to IT application systems is revoked immediately for departed employees and employees who no longer require access to perform their jobs
- ☐ Oversee employee performance on assigned duties and review work products
- ☐ Ensure employees know Standard Operating Procedures (SOPs), use SOPs, and maintain SOPs
- ☐ Assign a primary and alternate for all areas of responsibility
- ☐ Ensure employee job training requirements are met, including annual security awareness refresher training

This is a listing of key contributions and is not all-inclusive.

Supervisor

Can You Prove It?

Always maintain documentation and ensure it is readily available.

For assigned employees,

- ☐ Maintain complete employee files; examples include:
    - o Position Descriptions
    - o Performance Plans, Performance Ratings
    - o Training records, Individual Development Plans
    - o Work schedules and leave schedules
    - o Personnel actions
    - o Telework agreements

- ☐ Maintain proof that work products are reviewed and approved (e.g., signed and dated copy of the product)

- ☐ Maintain proof that work assignments are monitored (e.g., status reports)

- ☐ Maintain time and attendance documentation (e.g., OPM Form 71, Request for Leave or Approved Absence)

- ☐ Maintain evidence of employee training, including annual security awareness and other job training

- ☐ For all areas of responsibility, maintain documented SOPs

This is a listing of key documents and is not all-inclusive.

Timekeeper

What You Do Counts!

Key Contributions:

- ☐ Ensure all employee time has been recorded
- ☐ Enter time on behalf of employees who can’t access the Navy system
- ☐ Verify all time entered by the 2nd Wednesday of the pay period
- ☐ Verify all submitted time has been approved by a supervisor by the 2nd Thursday of the pay period
- ☐ Ensure that time card Approvers (supervisors) have alternates set up in the system to sign time cards on their behalf
- ☐ Coordinate with Payroll Customer Service Representatives and employees to correct time and attendance information as needed
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Maintain copies of adjustments made to correct time and attendance records

☐ Maintain evidence of communication with employees if you enter time on their behalf

☐ Maintain evidence of your appointment as Timekeeper

☐ Maintain any other documentation required by your department or office

☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Traveler

What You Do Counts!

Key Contributions:

- ☐ Obtain appropriate approval for travel requests
- ☐ Use your travel card for official travel purposes only
- ☐ Ensure expenses and per diem are aligned to your TDY dates
- ☐ Ensure expense estimates are updated to actual amounts
- ☐ Submit legal, proper, and correct travel claims within 5 days of travel completion
- ☐ Submit all records substantiating travel claims (DD Form 1351-2, Travel Voucher or Subvoucher)
- ☐ Settle overpayments in accordance with established schedules
- ☐ As appropriate, justify and request an increase in the maximum per diem rate allowable, normally in advance of travel (Actual Expense Allowance memo)
- ☐ Comply with local instructions and Joint Travel Regulations

This is a listing of key contributions and is not all-inclusive.

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain your travel request and authorization
- ☐ Maintain all required receipts
- ☐ Maintain signed and dated travel vouchers for travel claims submitted
- ☐ Maintain any other document required to support claimed travel reimbursements
- ☐ Maintain your Actual Expense Allowance memo, if applicable

This is a listing of key documents and is not all-inclusive.

Travel Authorizing/Approving Official

What You Do Counts!

Key Contributions:

- ☐ Ensure requested travel is included in a valid spend plan and verify funds are available prior to authorizing travel
- ☐ Verify that every claimed expense is legal, proper, and correct
- ☐ Verify that all claimed expenses are travel related
- ☐ Verify claimed expenses and per diem are aligned to the TDY dates
- ☐ Verify the correct line of accounting is selected
- ☐ Ensure receipts are submitted with the DD Form 1351-2 Travel Voucher or Subvoucher and amounts claimed for reimbursement match receipts
- ☐ Verify there was proper authorization for lodging expenses that exceed the locality rate
- ☐ Review justifications for all flagged items
- ☐ Notify travelers of amounts owed to the Government
- ☐ Ensure your job training requirements are met, including initial and refresher training specific to your role as a Travel Authorizing/Approving Official
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Travel Authorizing/Approving Official

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ For approved paper vouchers, maintain all documentation

☐ Maintain evidence of your job training

☐ Document any exception to normal travel policy

☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Government Purchase Card (GPC) Cardholder

What You Do Counts!

Key Contributions:

- ☐ Use a purchase log to document GPC purchases and receipt of purchases
- ☐ Dispute unauthorized charges within 60 calendar days from the transaction date and ensure resolution
- ☐ Reconcile your purchase log and invoices to the bank statement monthly and approve the statement within 3 days
- ☐ Obtain pre-approval on purchases as required (applies to special purchases, e.g., IT equipment and safety items)
- ☐ Ensure availability of funds prior to purchase and request and justify additional funding as required
- ☐ Adhere to your single purchase dollar limitation
- ☐ Secure your purchase card and notify the bank and GPC Program Coordinator if your card is compromised
- ☐ Ensure selected vendor is not debarred or suspended from doing business with the federal government
- ☐ Ensure someone other than yourself performs acceptance of purchased accountable property
- ☐ Report accountable purchases to the Accountable Property Officer and your respective property custodian
- ☐ Ensure your job training requirements are met, including those specific to your role as a GPC cardholder
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Government Purchase Card (GPC) Cardholder

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Maintain a purchase log

☐ Maintain receipts/invoices and all supporting documentation for each transaction

☐ Maintain a copy of your signed and dated appointment as a GPC cardholder

☐ Maintain documentation demonstrating that requirements were provided by someone other than yourself (the cardholder)

☐ Maintain documentation demonstrating you made reasonable effort to purchase from mandatory sources

☐ Maintain documentation that shows disputed charges are tracked to resolution

☐ Maintain acceptance documentation

☐ Maintain record of e-mail or any documentation sent forward to report accountable property purchased

☐ Maintain a documentation binder labeled for a retention period of 6 years and 3 months

☐ Maintain evidence of your job training

This is a listing of key documents and is not all-inclusive.

Government Purchase Card (GPC)
Cardholder Approving Official

What You Do Counts!

Key Contributions:

- ☐ Ensure proper use of the government purchase card
- ☐ Provide pre-approval for purchases
- ☐ Ensure cardholders complete their approval process within 3 days of the billing cycle end date
- ☐ Reconcile monthly statements against cardholders’ purchase logs and invoices
- ☐ Certify monthly statements within 5 days of the billing cycle end date
- ☐ Ensure cardholders have all special pre-approvals before approving a purchase, e.g., pre-approvals for IT equipment and safety items
- ☐ Ensure your job training requirements are met
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Government Purchase Card (GPC) Cardholder Approving Official

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain a copy of your signed and dated appointment as a GPC cardholder approving official
- ☐ Maintain a documentation binder labeled for a retention period of 6 years 3 months
- ☐ Maintain evidence of your job training
- ☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Unit Cardholder

What You Do Counts!

Key Contributions:

- ☐ Make all transactions yourself and secure your card at all times
- ☐ Ensure all purchases are proper, reasonable, and authorized
- ☐ Obtain approval and submit required documentation prior to planned events
- ☐ Report actual event expenditures within 10 working days after the event or 10 working days after return from TDY
- ☐ Submit supporting documentation and receipts for all funds expended to the designated Agency Program Coordinator (APC) within 10 business days from the completion of the event
- ☐ Return any unused funds upon completion of event to the APC in the form of a check or money order made out to the U.S. Treasury
- ☐ Report a lost or stolen card to the issuing bank and the designated unit card APC
- ☐ Ensure your job training requirements are met

This is a listing of key contributions and is not all-inclusive.

Unit Cardholder

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Maintain a copy of your signed and dated appointment as a unit cardholder

☐ Maintain receipts for each purchase and appropriate forms

☐ Maintain evidence of funds returned to the U.S. Treasury

☐ Maintain evidence of your job training

This is a listing of key documents and is not all-inclusive.

Property Custodian

What You Do Counts!

Key Contributions:

☐ Complete job training requirements specific to your role as a Property Custodian

☐ Conduct a 100% physical annual inventory

☐ Conduct a 100% physical monthly inventory on sensitive items

☐ Ensure out-processing employees turn in all assigned property

☐ Ensure property no longer required is turned in

☐ Report losses or irregularities of property

☐ Identify and report unrecorded accountable property

☐ Complete monthly validation of all property assigned in the Accountable Property System of Record (APSR)

☐ Complete 100% change-of-custodian inventory with incoming Property Custodian 30 days prior to departure

☐ Maintain current and accurate property records

☐ As applicable, know, follow, and maintain Standard Operating Procedures and other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Property Custodian

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Maintain a record of your appointment memorandum

☐ Maintain signed and dated Hand Receipt Inventory Reports

☐ Maintain signed and dated Property Accountability Custodian Asset Reports

☐ Maintain signed and dated DD Form 1150 Request for Issue/Transfer/ Turn-in

☐ Maintain signed and dated DD Form 1149 Requisition and Invoice/ Shipping Document

☐ Maintain copies of signed and dated hand receipts

☐ Maintain evidence of your job training

☐ As applicable, ensure ready access to Standard Operating Procedures and other job-specific guidance related to your duties

This is a listing of key documents and is not all-inclusive.

Project Officer/Program Manager

What You Do Counts!

Key Contributions:

- ☐ Initiate and submit Purchase Requests (PR) using the appropriate PR Package Checklist
- ☐ Ensure purchased goods and services are received
- ☐ Ensure the invoices received are accurate (reflect goods and services ordered and received), approved, and submitted for payment within the timeframe specified in the contract
- ☐ Monitor and evaluate contractor performance per the Statement of Work/Performance Work Statement
- ☐ Review and validate incoming customer orders, confirm work is within mission, and terms and conditions are acceptable to all parties
- ☐ Monitor monthly execution for sub-allotted funds
- ☐ Obtain and monitor execution reports for Military Interdepartmental Purchase Requests (MIPRs), Interagency Orders (IOs), and contracts at least monthly
- ☐ Coordinate with your budget office/financial manager on financial issues
- ☐ Regularly review procurement actions and validate unliquidated obligations
- ☐ Initiate contract closeout procedures in coordination with Contracting Officer

This is a listing of key contributions and is not all-inclusive.

Project Officer/Program Manager

Can You Prove t?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain PR documents

- ☐ If you are assigned Project Officer/Program Manager responsibilities on a contract, at a minimum have easy access to or maintain:
  - ○ Contract or applicable task/delivery order(s) and modifications
  - ○ Invoices
  - ○ Receiving reports
  - ○ Contractor status reports, financial execution reports
  - ○ Proof that you are monitoring and evaluating contractor performance
  - ○ Contract closeout package

- ☐ For assigned incoming and outgoing MIPRs and IOs, have easy access to or maintain:
  - ○ MIPR, IO
  - ○ Statement of Work/Performance Work Statement
  - ○ Acceptance document (DD Form 448-2)
  - ○ Evidence of receipt of goods and/or services
  - ○ Monthly financial execution reports

- ☐ For sub-allotted funds, have easy access to or maintain monthly financial execution reports

This is a listing of key documents and is not all-inclusive.

Procurement Agent

What You Do Counts!

Key Contributions:

- ☐ Ensure Purchase Requests (PRs) are authorized by the requesting program
- ☐ Ensure supporting documentation is retained when a PR is initiated
- ☐ Ensure funds availability for PRs and as necessary, request and ensure realignments are complete prior to funding
- ☐ Monitor PRs to ensure they are obligated and expended in a timely manner and keep the Program Manager (PM) informed of status
- ☐ Ensure execution of program resources is consistent with the spend plan
- ☐ Ensure incoming customer orders are reviewed and validated by the PM (within 5 days of receipt from customer)
- ☐ Upload approved customer orders to the Order Submission Tool
- ☐ Follow-up with customers to ensure outgoing orders are approved and accepted in a timely manner
- ☐ Regularly review procurement actions and validate unliquidated obligations
- ☐ Ensure your job certification requirements are met
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Procurement Agent

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Demonstrate that you have an accurate status of open commitments and unliquidated obligations

☐ Maintain PR documents

☐ Maintain customer orders and supporting documentation (e.g., Military Interdepartmental Purchase Request, Interagency Order, Statement of Work)

☐ Maintain evidence of correspondence with customers

☐ Maintain evidence of your job training

☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Budget Analyst /Management Analyst

What You Do Counts!

Key Contributions:

- ☐ Process Funding Authorization Documents (FADs) and record in financial systems within required timeframe
- ☐ Sub-allot funds to entities outside of Navy as requested by Program Managers, communicate reporting requirements, and monitor execution
- ☐ Reconcile AR(M) 1002s (Appropriation Status by FY Program and Subaccounts), program budget accounting system, and internal FAD tracking
- ☐ Ensure adequate authority to accept funds as reimbursable, track reimbursable funding, identify potential for unused funds, and ensure timely return of unused funds
- ☐ Monitor directed funding limitations and spending caps
- ☐ Ensure your job certification requirements are met
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance

This is a listing of key contributions and is not all-inclusive.

Budget Analyst /Management Analyst

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain Funding Authorization Documents (FADs)
- ☐ Maintain AR(M) 1002s (Appropriation Status by FY Program and Subaccounts)
- ☐ Maintain reconciliation reports
  - ○ AR(M) 1002s (Appropriation Status Report by FY Program and Subaccounts), program budget accounting system, and internal FAD tracking
- ☐ Maintain evidence of reimbursable authority, reimbursable funding tracking log
- ☐ Maintain evidence to support directed limitations and caps
- ☐ Maintain reports of execution against limitations and caps
- ☐ Maintain evidence of your job training
- ☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Contracting Officer Representative (COR)

What You Do Counts!

Key Contributions:

- ☐ Ensure goods and/or services are received
- ☐ Ensure the invoices received are accurate (reflect goods and services ordered and received), approved, and submitted for payment within the timeframe specified in the contract
- ☐ Monitor and evaluate contractor performance per the Statement of Work
- ☐ Obtain and monitor the contractor's execution reports to monitor funds execution and coordinate with your Budget Analyst and Financial Manager on financial issues
- ☐ Ensure the contractor provides a monthly property list and conducts an annual physical inventory in accordance with the Contract Data Requirements List (CDRL)
- ☐ Sign the Master Government Property List validating/confirming inventory in the possession of the contractor
- ☐ Report any inventory discrepancies to your Accountable Property Officer
- ☐ Regularly review procurement actions and validate unliquidated obligations
- ☐ Coordinate with the Contracting Officer and Program Manager to ensure contract closeout is completed per guidance provided by the Federal Acquisition Regulation
- ☐ Ensure your COR training requirements are met

This is a listing of key contributions and is not all-inclusive.

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ If you are assigned COR responsibilities on a contract, task/delivery order, maintain a COR file that at a minimum includes:
    - ○ COR nomination, designation, and acceptance memoranda
    - ○ Contract or applicable task/delivery order(s) and modifications
    - ○ Invoices
    - ○ Initial and Monthly Master Government Property List
    - ○ Signed and dated annual Master Government Property List (Physical Inventory)
    - ○ Evidence of receipt of goods and/or services
    - ○ Contractor status reports, financial execution reports
    - ○ Proof that you are monitoring and evaluating contractor performance
    - ○ Correspondence with the contractor
    - ○ Contract closeout package

- ☐ Maintain evidence of your COR training

- ☐ Maintain a copy of your COR Appointment Letter

This is a listing of key documents and is not all-inclusive.

Contracting Officer, Grants Officer, Contract Specialist

What You Do Counts!

Key Contributions:

- ☐ Ensure contract payment instructions are consistent with billing instructions
- ☐ Verify personnel nominated by a program office to perform the Contracting Officer Representative (COR) function meet basic COR training requirements
- ☐ Provide copies of the contract, task/delivery orders, modifications, and other pertinent documents to the COR in a timely manner
- ☐ Ensure all contracts with government property (either furnished or contractor acquired) include Federal Acquisition Regulation (FAR) 252.245-9000, Government Property
- ☐ Coordinate with the COR and Program Manager (PM) to obtain and monitor the contractor's financial execution reports
- ☐ Coordinate with the Budget Analyst and Financial Manager on financial issues
- ☐ Coordinate with COR and PM to ensure contract closeout is completed within the guidance provided by the FAR
- ☐ Ensure your job training requirements are met

This is a listing of key contributions and is not all-inclusive.

Contracting Officer, Grants Officer, Contract Specialist

Can You Prove It?

Always maintain documentation and ensure it is readily available.

☐ Maintain a copy of your warrant, with limitations, if applicable

☐ Maintain contract files for assigned contracts, examples include:
  - Contract, delivery/task order(s), and modifications
  - Invoices
  - Evidence of receipt of goods and/or services
  - Contractor status reports, financial execution reports
  - Contract closeout package

☐ Documented within or attached to the contract:
  - FAR 252.245-9000 Government Property
  - Contract Data Requirements List (CDRL)
  - CDRL distribution address listing
  - Master Government Property List identifying government property associated with the contract

☐ Maintain evidence of your job training

☐ Maintain a copy of Appointment Letters

☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Human Resources Specialist

What You Do Counts!

Key Contributions:

- ☐ Create Request for Personnel Action (Standard Form 52 (SF-52)) after receipt of required documentation
- ☐ Create Notification of Personnel Action (Standard Form 50 (SF-50)) after receipt of required documentation
- ☐ Ensure SF-50s and SF-52s are accurate and submitted timely
- ☐ Resolve any issues that prevent SF-50s and SF-52s from being processed
- ☐ As applicable, know, follow, and maintain Standard Operating Procedures and/or other job-specific guidance
- ☐ Ensure your job training requirements are met

This is a listing of key contributions and is not all-inclusive.

Can You Prove It?

Always maintain documentation and ensure it is readily available.

- ☐ Maintain documentation (SF-50s, SF-52s) to support personnel actions (e.g., hiring, promotion, transfers, etc.)
- ☐ Maintain evidence of mass personnel actions that don’t require an SF-52
- ☐ Maintain evidence of your job training
- ☐ As applicable, ensure ready access to Standard Operating Procedures/Job Guides and process documents for your duties

This is a listing of key documents and is not all-inclusive.

Navy Guide to Managers' Internal Control Program (MICP)

Myth: Internal controls are limited to financial management operations.

Fact: Internal controls span all operations, programs, and systems that use government resources: funds, property, people, supplies, financial systems, or other assets. We exercise controls every day to:

- ✓ Protect against loss of life
- ✓ Uphold public trust
- ✓ Safeguard our systems and data
- ✓ Achieve program results

MICP formalizes the processes we use every day to manage risks that could hinder or prevent us from achieving our mission.

KNOW YOUR BUSINESS
CONTROL YOUR FUTURE

Table of Contents

Internal control encompasses the organization's policies, procedures, and activities that help the entity achieve results and safeguard the integrity of its programs by reducing the risk of adverse activities.

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Please use the Table of Contents above to learn more about the Managers' Internal Control Program and find the role(s) you fill within the Navy. There is a reference card for each topic area and identified role (see page number). Please review the cards for your role(s) to learn how you contribute to MICP. The list of contributions is not a complete list but focuses on key items.

You execute internal control while performing your everyday activities!

Why is MICP Important?

Without internal controls, process weaknesses could go undetected and…

☐ Failure to document and communicate critical intelligence data could impact operational planning and execution

☐ Safety risks may be introduced in research and development experiments

☐ A dangerous individual could gain unauthorized access to a facility or its systems

☐ Statutory spending caps could be exceeded

☐ A supervisor may improperly grant excessive overtime to employees

☐ Erroneous worker compensation claims may be processed

☐ Improper conference expenditures could embarrass the service and lead to increased restrictions

☐ A supplier could receive erroneous payment(s)

☐ Government Purchase Cards could be used improperly leading to fraud, waste, or abuse

☐ Delivery of critical medical supplies could be delayed

These examples cover just a small portion of what can go wrong without an effective internal control program.

Navy MICP Oversight Structure

To provide guidance and oversight of the MICP, the Navy chartered a Senior Management Council and Senior Assessment Team.

- The Senior Management Council is chaired by the Deputy Assistant Secretary of the Navy for Financial Operations (FMO) and consists of Senior Executive Service and Flag officers at the Major Assessable Unit level. The Senior Management Council provides oversight of the enterprise wide Managers' Internal Control Program.
- The Senior Assessment Team is chaired by the Deputy Assistant Secretary of the Navy for Financial Operations (FMO) and consists of Financial Management Operations Division Directors and Budget Submitting Office Comptrollers. The Senior Assessment Team will focus on financial reporting and financial systems and will be a driving force to achieve and sustain auditable financial statements.

The Office of Financial Operations is tasked with coordinating the Navy MICP on behalf of the Secretary of the Navy.

- Across the Federal Government, the MICP implements the Federal Managers' Financial Integrity Act of 1982 and the Office of Management and Budget Circular A-123, Managements Responsibility for Internal Control, and its appendices.
- The program is a leadership tool to provide safe guards to protect against fraud, waste, abuse, misuse, and misappropriation. Secretary of the Navy Instruction 5200.35F, Navy Managers Internal Control Program, dated July 2014, provides implementation procedures.
- Management, at all levels, should embrace the guidance and develop a robust MICP.

Roles/Responsibilities Summary

Managers’ Internal Control Program: Standard Approach to Risk Management

You Do It Every Day: Risk Management

- ✓ Document key processes
- ✓ Identify mission risk
- ✓ Mitigate/control risk
- ✓ Test/assess controls
- ✓ Correct weaknesses
- ✓ Comply with law, policy, and procedures
- ✓ Proactively report problems/issues
- ✓ Follow process; don’t take shortcuts
- ✓ Complete mandatory training
- ✓ Be a good steward of resources

Key Responsibilities in Standardizing the Internal Control Process

Management

- ✓ Understand and communicate the importance of the MICP
- ✓ Ensure staff are trained on MICP
- ✓ Appoint a MICP Coordinator, Senior Accounting Official, and Assessable Unit Manager
- ✓ Ensure all mission essential activities are included in your MICP
- ✓ Review controls and test results regularly
- ✓ Update the MICP Coordinator on status of weaknesses
- ✓ Establish quantifiable performance metrics
- ✓ Submit annual certification statement package

MICP Coordinator

- ✓ Attend MICP training
- ✓ Help with day-to-day MICP execution
- ✓ Help document formal MIC plans
- ✓ Help assess/test effectiveness of controls regularly
- ✓ Help ensure documentation is readily available
- ✓ Facilitate consolidation of the statement of assurance (SOA) package
- ✓ Coordinate issues with your Assessable Unit Manager

Staff

- ✓ Attend MICP training
- ✓ Understand your role in MICP, e.g., assess controls, prepare Standard Operating Procedures (SOPs)
- ✓ Maintain supporting documents for areas of responsibility, e.g. SOPs, process flow diagrams, process controls, test plans, corrective action plans
- ✓ Know your MICP Coordinator and Assessable Unit Manager
- ✓ Support your Agency’s MICP

Management*

What You Do Counts!

Key Contributions:

- ☐ Identify mission essential activities for risk assessment and internal control (IC) evaluation
- ☐ Understand and communicate the importance of the Agency/ Center MICP and your organization's IC requirements to staff: Set the "tone-at-the-top"
- ☐ Create a work environment that encourages open communication between staff and management
- ☐ Ensure training requirements are met in your organization, including MICP training
- ☐ Appoint a MICP Coordinator, Senior Accountable Official, and Assessable Unit Manager; discuss responsibilities
- ☐ Identify, test, and document the effectiveness of internal controls on a regular basis
- ☐ Ensure standard operating procedures are in place and followed by staff
- ☐ Report issues timely up the chain of command and across the organization (e.g., information system and security threats)
- ☐ Maintain "readily available" IC documentation (MIC plans, updated organization charts, standard operating procedures, process flows, process controls, test plans, etc.)
- ☐ Implement and monitor corrective actions for internal control deficiencies

*Department., Division, Branch: Directors, Chiefs, Supervisors

This is a listing of key contributions and is not all-inclusive.

All Team Members*

What You Do Counts!

Key Contributions:

- ☐ Communicate issues timely to management and help develop corrective actions (e.g., correcting errors or reporting inefficient or broken processes)
- ☐ Exhibit integrity and ethical values in executing your assigned mission
- ☐ Perform your duties in accordance with standard procedures and contract requirements
- ☐ Do your job right the first time: Demonstrate professional pride and be a good steward of resources
- ☐ Comply with laws, regulations, and policies
- ☐ Stay knowledgeable of MICP requirements:
    - o Communicate with your manager to understand your role in the MICP (e.g., perform assessments, prepare standard operating procedures, provide training)
    - o Attend MICP training
    - o Know your MICP Coordinator and Assessable Unit Manager
    - o Maintain readily available documentation, e.g., standard operating procedures, process flow diagrams, process controls, test plans, corrective action plans
- ☐ Maintain a positive and supportive attitude toward the organization's MICP

*Civilians, Military, & Contractor Support

This is a listing of key contributions and is not all-inclusive.

Assessable Unit Manager (AUM)

What You Do Counts!

Key Contributions:

- ☐ Assist your management in executing their MICP, for example:
  - Communicate with your management to understand your role in the MICP
  - Participate in MICP training
  - Help develop MIC plans, as required
  - Perform internal control assessments, as required
  - Establish and maintain documentation that is readily available for examination
  - Communicate MICP information within your office
  - Communicate with your MICP Coordinator on significant MICP issues

- ☐ As applicable, prepare and coordinate your organization's annual statement of assurance package and maintain documentation in a centralized location

Managers' Internal Control Program Coordinator (MICP)

What You Do Counts!

Key Contributions:

- ☐ Perform all duties listed above (under AUM)

- ☐ Communicate regularly with the appropriate echelon level(s) MICP Coordinator, to include relaying issues

Principles of an Effective MICP

Principles of an Effective MICP

1. Management sets the “Tone at the Top”
2. A formal communication framework is in place to support the Internal Control Program (e.g., MICP Coordinator, Senior Accountable Official, Assessable Unit Manager)
3. There is a culture where open communication is encouraged between staff and management
4. There are no barriers in accessing the chain-of-command
5. Every employee identifies and reports risk or inefficiencies regardless of rank or grade
6. Issues flow up the chain-of-command and across the organization
7. Risks are aligned to programs and overall mission
8. Risks are prioritized and managed to ensure program and overall mission success
9. We all proactively engage in our MICP